UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al..

Debtors.1

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

NOTICE OF CORRESPONDENCE REGARDING THREE HUNDRED THIRTY-SEVENTH OMNIBUS OBJECTION (NON-SUBSTANTIVE) OF THE EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO TO PROOF OF CLAIM NO. 3258

To the Honorable United States District Judge Laura Taylor Swain:

1. On June 18, 2021, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS" or the "Debtor"), by and through the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), as the sole Title III representative of the Debtor pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"),² filed the Three Hundred Thirty-Seventh Omnibus Objection (Non-

The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employee's Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA" and together with the Commonwealth, COFINA, HTA, and ERS, the "Debtors") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

Substantive) of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Misclassified Claims [ECF No. 17081] (the "Three Hundred Thirty-Seventh Omnibus Objection") to various proofs of claim.

- 2. The Three Hundred Thirty-Seventh Omnibus Objection seeks to reclassify the pension-related proofs of claim listed on Exhibit A thereto (collectively, the "Claims to Be Reclassified"), which identify ERS as the obligor when they are properly asserted, if at all, against the Commonwealth of Puerto Rico (the "Commonwealth"). As explained in the Three Hundred Thirty-Seventh Omnibus Objection, pursuant to Joint Resolution 1883 and Act 106 (collectively, the "Legislation"), the Commonwealth assumed any obligation to make payments to pensioners or other beneficiaries of ERS. Accordingly, any claims asserting an entitlement to pension or other benefits by individuals previously participating in ERS properly lie against the Commonwealth.
- 3. ERS has received the attached correspondence from Maria R. Carrión Vega ("Carrion Vega"), copies of which are attached hereto as Exhibits "A" (the "First Carrión Vega Response") and "B" (the "Second Carrión Vega Response," and together with the First Carrión Vega Response, the "Carrión Vega Responses"), regarding Proof of Claim No. 3258 (the "Carrión Vega Claim"). Certified translations of the First Carrión Vega Response and the Second Carrión Vega Response are attached hereto as Exhibits "A-1" and "B-1," respectively.
- 4. The Carrión Vega Claim asserts liabilities associated with allegedly accrued, but unpaid, wages arising from Carrión Vega's employment with the Municipality of Bayamón's court system, and related pension adjustments. Liabilities associated with unpaid wages purportedly

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Three Hundred Thirty-Seventh Omnibus Objection.

owed by the Municipality of Bayamón's court system would properly lie, if at all, with the Commonwealth, not ERS, because the Municipality of Bayamón is not part of ERS. Furthermore, as explained in the Three Hundred Thirty-Seventh Omnibus Objection, pursuant to the Legislation, pension-related claims are properly asserted, if at all, against the Commonwealth, not ERS, because the Commonwealth has assumed ERS's obligation to make pension-related payments.

- 5. The Carrión Vega Responses do not dispute that the liabilities asserted in the Carrión Vega Claim are properly asserted, if at all, against the Commonwealth. Rather, the First Carrión Vega Response, a Spanish-language letter received by Prime Clerk on November 2, 2021, states that, "[w]e paid for all those [pension] benefits that would have been granted to us once the 30-year term of service was completed" and the "Romerazo Law was passed, and they still haven't paid us [under that law]." First Carrión Vega Resp. at 1-2. Similarly, the Second Carrion Vega Response, a Spanish-language letter received by Prime Clerk on November 9, 2021, states, "[w]e are employees of the Bayamón Courts, who have been waiting for that payment since 1980." Second Carrión Vega Resp. at 10. As explained, however, any liabilities associated with such allegedly accrued but unpaid wages and pension liabilities are not properly asserted against ERS. Accordingly, the Court should reclassify the Carrión Vega Claim to be asserted against the Commonwealth, not ERS.
- 6. For the foregoing reasons, ERS respectfully requests that the Court sustain the Three Hundred Thirty-Seventh Omnibus Objection and reclassify the Carrión Vega Claim as a claim against the Commonwealth, notwithstanding the Carrión Vega Responses.

Dated: February 2, 2022 San Juan, Puerto Rico Respectfully submitted,

/s/ Hermann D. Bauer

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